

J. H. Weston

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Model illustrating the mode of forming a Society by Special
Rules, adopting the General Rules, published by the Central
Board, which are sold at 2d. each.

RULES

OF THE

A. B.

[SOCIETY]

LIMITED.

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MANCHESTER:

CO-OPERATIVE PRINTING SOCIETY LIMITED, 17, BALLOON STREET

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RULES.

(a) The rules hereto annexed, entitled "General Rules for an Industrial and Provident Productive Society," and numbered 1 to 126, shall be the rules of this society, subject to the Special Rules thereof.

(b) The rules next following, numbered I. to V., are the Special Rules of the society, to which the General Rules therein referred to are respectively subject, and the interpretation clause thereof applies.

THE SPECIAL RULES OF THE SOCIETY.

I. General Rule 3.—*The name* of this society is the A B LIMITED.

II. General Rule 3.—*The special object* of the society is to carry on the trade of both wholesale and retail.

III. General Rule 4.—*The registered office* of this society shall be at in the county of

IV. General Rule 96.—*The seal* of the society shall have the device of

V. General Rule 114.—*The profits* of the society, after providing for the charges specified in the general rule, shall be applied as follows :—

[N.B.—This rule must also provide for the payment of the dividend on ordinary share capital, which, by General Rule 114 (3), is left to be determined by the Special Rules.]

Secretary.

Rules on the five matters stated above are the only Special Rules necessary. All other matters are provided for by the General Rules. But if it is desired to vary the General Rules in any respect, this may be done by Special Rules properly framed, which, as well as the Special Rule relating to the division of profits, the General Secretary will prepare if requested, on being informed of the alterations or provisions desired.

GENERAL RULES

FOR AN

INDUSTRIAL AND PROVIDENT PRODUCTIVE SOCIETY.

*To be Registered under the Industrial and Provident Societies
Act, 1876.*

MANCHESTER:

CO-OPERATIVE PRINTING SOCIETY LIMITED, 17, BALLOON STREET.

ACTS 10:34

THEIR OWN MINDS

WILLINGLY RECEIVED IT.

WANT ASK

ARE ADDRESSED TO THE MINDS OF

GENERAL RULES.

(*For List of the Rules see end.*)

CHAPTER I.—INTERPRETATION AND GENERAL QUALIFICATION.

1. *Interpretation.*—In the construction of these Rules, including this rule, the following words and expressions have respectively the meanings following, unless the subject matter or context are inconsistent therewith:—

(1) Words importing the singular or plural number respectively include the plural and singular numbers; words importing the masculine gender only include the feminine gender.

(2) “The Act” means the Industrial and Provident Societies Act, 1876, and any Act incorporated therewith.

(3) “The committee” means the committee of management, board of directors, or other directing body of a society or company.

(4) A “company” means (1) any body corporate other than a society; (2) any society authorised to sue and be sued by any person authorised to act in its behalf; and “a society” means any society registered under the Industrial and Provident Societies Act, 1876, or deemed so to be.

(5) “Lands” include tenements and hereditaments.

(6) “He,” “him,” and “person” include a company or society.

(7) "Nominal capital" means the amount of the shares allotted for the time being, and not paid off.

(8) "The society" means the society named in the Special Rules.

(9) "Special members" mean the persons by whom the Special Rules are signed, and any other persons whom those rules may declare to be included thereunder.

(10) "The Special Rules" mean the rules prefixed hereto, whereby these rules are made rules of any society.

(11) "The Treasury regulations" mean the regulations approved by the Treasury under the Act, or any Act relating to industrial and provident societies for the time being.

(12) In Ireland, "bond" includes a judgment registered as a mortgage, or a mortgage deed affecting specified lands.

(13) In Scotland, "letters of administration" and "probate" mean confirmation.

2. *Qualification.*—Every rule herein contained shall be subject to qualification by any special rule of the society referring to it by its number, and shall be deemed to be adopted by the society in so far only as is consistent with such qualification.

CHAPTER II.—NAME, OBJECTS, AND PLACE OF BUSINESS.

3. *Name, Objects, and Powers of the Society.*—The name and special objects of the society shall be those stated in the special rules. The objects of the society shall include the trade of buying and selling land. The society shall have full power to do all things necessary or expedient for the accomplishment of all objects specified in its rules, including the power to purchase, hold, sell, mortgage, rent, lease, or sub-lease, lands of any tenure, and to erect, pull down, repair, alter, or otherwise deal with any building thereon.

4. *Registered Office—How to be Fixed.*—The registered office of the society shall be at such place in the United Kingdom as is mentioned in the special rules. It may be changed by a resolution of the committee.

5. *Removal of Office to be Notified.*—Notice of any removal of the office of the society shall be sent to the Registrar of Friendly Societies for the place where the office is established within fourteen days after such change, or such other time as may be required by the Treasury regulations, and in manner and form thereby prescribed.

6. *Books of Account, &c., to be Kept at Office.*—All books of account, securities, documents, and papers of the society, other than such (if any) as are directed by the committee to be kept elsewhere, shall be kept at the registered office, in such manner and with such provisions for their security as the committee from time to time direct; and shall be open to inspection by the members as is hereinafter provided.

CHAPTER III.—MEMBERSHIP.

Sec. 1.—Members.

7. *Who are Members.*—The society shall consist of the special members, and of all such other persons as the special rules direct, or the committee may admit, subject to such confirmation, if any, as the special rules require.

8. *Shares to be held by Members.*—Subject to the provisions of the Act, each individual member shall hold at least one transferable share, and each society or company one for such number of members as the general meetings may fix. The special members shall be deemed, without any special application, to hold such number of shares as an individual member is required to hold.

9. *Payment on Application.*—Every person shall pay, on applying for admission, 1s., for which he shall receive a copy of the rules.

10. *Application by a Society or Company.*—Applications for admission by a society or company shall be in such of the forms, contained in Rule 126, as the case requires, and shall be for such number of shares at least as the rules require.

11. *Application by an Individual.*—An application by an individual may be made either in the form contained in Rule 126, or by making such payment as is required upon an application for admission, and the signature of a receipt for a copy of the rules in the form contained in the said rule, either by the applicant or on his behalf.

12. *How Applications shall be dealt with.*—Every application for admission shall be considered by the committee at its first meeting after it is made, or so soon thereafter as is practicable ; and if it is approved, the name of the applicant shall be entered on the list of members and the register of shares hereinafter mentioned, for the number and description of shares required to be held by the rules, or any larger number applied for and allowed to be held thereby, upon such approval and such confirmation thereof, if any, as the special rules may require.

13. *Notice of Refusal or Admission.*—Notice of the refusal of an application, or of the entry of the name of any applicant on the list of members, signed by the secretary, shall be sent to the applicant, at the address mentioned on the form of application or receipt, within one week after such refusal or entry is made.

14. *Repayment of the Entrance Fee.*—The sum paid on an application for admission shall be repaid on demand to the person by whom or on whose behalf it was or purports to have been paid, within one calendar month after the date of the said notice, in the cases following :—

- (1) If the application is refused ;
- (2) If it is not granted within three calendar months after the application ;
- (3) If it is based on a payment made on behalf of any person without his authority.

15. *Appeal and Erasure of the Names of Applicants.*—In the first of the above cases, the person refused admission

shall have the same right of appeal as is given by Rule 21. In the second and third cases, the name entered shall be erased from the list of members, on a demand of the person whose name is so entered before any payment made to and knowingly accepted by such person as a member.

16. *How Forms to be referred to.*—The forms used on an application shall be numbered, and filed in the office of the society, and referred to in the list of members.

17. *Married Women.*—A married woman may be a member and hold and deal with any shares or other interest in the society credited to her in England and Ireland as if she were unmarried, according to the provisions of the Married Women's Property Act, 1882, and in Scotland as is provided by the Married Women's (Scotland) Act, 1881.

18. *Admission of Minors.*—A minor not under the age of sixteen years may be admitted as a member, and execute all instruments and give all acquittances necessary to be executed or given under the rules, but may not be a member of the committee, manager, or treasurer of the society. [See the Act, § 11 (9).]

19. *Withdrawal of Members and Partial Cessation of Membership.*—A person, all of whose shares have been transferred, repaid, or forfeited under the rules, shall cease to be a member, and no member may vote at any meeting of the society, either personally or by deputy,

- (1) If he holds less than the number of shares of either description required to be taken up on admission ;
- (2) If he is in arrear of his subscriptions ;
- (3) If the sum standing to his credit on any withdrawable shares is reduced by withdrawals below the full amount payable on the number of withdrawable shares he may be required to hold.

Sec. 2.—List of Members.

20. *Where to be kept and Entries thereon.*—The committee shall keep, at the registered office of the society, a list of the names, occupations, and addresses of all members, open at all convenient times to the inspection of the members; and each

member shall give notice of any change affecting himself, or be subject to such fine not exceeding 1s. as any ordinary business meeting may fix, provided that it is not retrospective. No person whose name does not appear on such list, other than a deputy, shall have any right as a member of the society; and the committee shall cause to be erased therefrom the names of all such persons as cease to be members under these rules.

21. *Claims to be Entered on, or Removed from the List.*—A person who claims to be placed or retained on, or removed from the list of members, shall apply in the first instance to the committee for that purpose, and if refused may appeal to the next ordinary business meeting held after the receipt of notice of such refusal, which may make such order on the matter as it thinks fit.

CHAPTER IV.—CAPITAL.

Sec. 1.—Share Capital.

22. *Nominal Value.*—The capital of the society shall be raised by shares of the nominal value of £1, payable as to every share required to be held at the rate of not less than 5s. per quarter, with a fine of 1s per quarter on non-payment.

23. *Instalments.*—Each instalment shall be payable at such place, on such days, between such hours, and to such persons as the committee from time to time fix.

24. *Power to Pay in Anticipation.*—A member may pay the whole or any part of any instalment in anticipation of the period when it will become due; and, if he holds more than one share not fully paid, may specify to which shares the payment shall be applied, otherwise it shall be distributed equally: and the committee may allow a rebate not exceeding the rate of £5 per cent per annum upon any such anticipated payment.

25. *Cases of Distress.*—The committee may remit any fine incurred by non-payment of any instalment, if the non-payment appears to them to have arisen from sickness, distress, want of work, or any other sufficient reason, of

which a written statement, signed by the defaulting member or some person claiming to act on his behalf, has been given to the secretary at the time when the payment ought to have been made.

26. *Application of Dividends to Pay up Shares.*—The dividends payable

(1) Upon the share capital required to be held by any member;

(2) Upon any share allotted to him in respect of the profits of work not exceeding any limit fixed by the Special Rules, or if no inferior limit is so fixed, that fixed by Rule 27;

shall accumulate and be credited to him from time to time as share capital.

27. *Allotment of Shares.*—The committee shall allot to all members other than the special members, upon their admission, or admission and approval, as the case may be, such number of shares as they apply for, and shall similarly allot, from time to time, the shares applied for by any member, or required to make the nominal value of his shares not less than the capital of the same name credited to him, provided that the number of shares so allotted does not raise the total investment of any member, except a society, to a sum exceeding two hundred pounds sterling.

Sec. 2.—Enforcement of Debts to Society.

28. *Recovery of Sums due under Rules, and Forfeiture of Shares.*—All sums due from any member, for subscriptions or otherwise, shall be recoverable from him, his executors or administrators, as a debt due to the society. The secretary shall lay before each ordinary business meeting a return of all such sums, and thereupon the meeting may—

(1) Direct the committee to take legal proceedings for the recovery thereof;

(2) If the sum is due in respect of a share, declare such share to be forfeited if any payment thereon has been in arrear for three calendar months.

29. Effect, and Remission of Forfeiture.—Upon a declaration of forfeiture of a share, all sums paid or credited thereon shall become the property of the society; but the forfeiture may be remitted if the sum due is paid within one calendar month from the date of a notice of forfeiture, which shall be sent in each case to the registered address of the member within one week after the declaration of forfeiture.

Sec. 3.—Loans and Deposits.

30. Loans on what security, to what amount, and how may be made:

(1) The committee may obtain advances of money for the purposes of the society from time to time from any person, whether a member of the society or not, upon the security of bonds, or agreements, or promissory notes, or transferable preferential shares by or of the society, or of a mortgage either legal or equitable of any property thereof;

(2) The total amount so obtained shall not exceed for the time being any limit fixed by the Special Rules, and if no other limit is thereby fixed, twice the then nominal capital of the society, or any inferior limit fixed by a general meeting;

(3) The committee may make any such loan on such terms as to the time and manner of repayment as it thinks fit;

(4) The rate of interest agreed to be given on any such advance shall not exceed £5 per cent per annum;

(5) Any bond of the society may be made a specific charge upon any lands of the society specified therein or in any schedule thereto. But a separate register shall be kept of all such bonds;

(6) Any such bond or share may be issued, or note given, or agreement or mortgage made, as a continuing security to cover any sum not exceeding the limits aforesaid, due or to become upon the account of the society to any person with whom it may transact banking business.

(7) All such securities shall be made in such form, and shall be signed on account of the society by such persons as the committee direct from time to time.

31. *Power to Receive Deposits.*—The committee may receive from any persons, whether members or not, on deposit, withdrawable on such notice, being not less than two clear days', as they fix from time to time, any sums, within the total limit mentioned in Rule 30, not exceeding 5s. in any one payment, nor £20 for any one depositor; and if the society has any withdrawable capital, no payment thereof shall be made while any claim due on account of any such deposit is unsatisfied.

Sec. 4.—Investments.

32. *Power to Invest Surplus Capital.*—The committee may invest any part of the capital of the society in advances to members on the security of real or personal property; or, with the sanction of a special general meeting, in purchasing the business of any other society or company in which its capital might be invested falling within the objects of the society, or in carrying on any such business in conjunction with any such society or company; or in any other way permitted by the Industrial and Provident Societies Act, 1876.

Sec. 5.—Repayment of Capital.

33. *Repayment Compulsory on Members.*—Subject to the payment of, or a sufficient provision for, all subsisting claims on the society, the committee may from time to time apply any moneys which they cannot profitably invest for the purposes of the business or the benefit of the members, to pay off the excess of shares over one held by the members, in the order of the dates of their entry on the register of shares, and among any entered of the same date in the alphabetical order of the surnames of the original holders.

34. *Repayment on the Request of Members.*—Subject as aforesaid, the committee may, on the application of the holder of any share, repay any sum not exceeding the amount then credited thereon; and shall repay the whole sum so credited in any case where they refuse to confirm the transfer of any such share which is fully paid up.

35. Shares Repaid to be Extinguished.—All such repayments shall be made on resolutions of the committee, which, with the receipts for the money paid, shall be entered or referred to on the register of shares after mentioned, designating each share by the number to be given to it, and thereupon the shares in respect of which such payments are made shall be extinguished.

36. Moneys Left with the Society after Notice of Repayment.—If a member who has received notice that the committee is prepared to pay him off leave the sum to be thus repaid in the hands of the society, he shall not be entitled to any interest thereon after the expiration of the time named in the notice of repayment.

CHAPTER V.—SHARES.

Sec. 1.—Shares Generally.

37. Of What Descriptions.—All the shares of the society shall be transferable.

38. Where Two or more Joint Holders.—Shares may be held by two or more individuals jointly, either of whom may give a valid receipt for any interest or dividend payable thereon ; and all notices relating to any such shares, given to such one as they jointly direct, and in default of any direction, to the one whose name stands first in the books of the society, shall be sufficiently given.

39. Limit to Dividends.—Dividends shall not be calculated on or for any fraction of £1, or of a calendar month.

Sec. 2.—Mode of Dealing with Shares.

40. How to be Allotted.—All shares allotted by the society shall be numbered continuously, and all such as are not taken to be held by the special members shall be allotted to the original holders thereof by the committee in the order of the numbers ; and all such as are taken to be so held by the special members shall be entered in the share register after mentioned, under the names of such members, in alphabetical order, by the order of the numbers, beginning with one.

41. *Share Register.*—The committee shall keep a share register, in which, under the number of each share, shall be entered the name of the member to whom it was originally allotted, or under whose name it is entered; and if the share is cancelled, as is hereinafter provided, the date of such cancelling.

42. *Share Ledger.*—The committee shall keep, as part of the share register, a ledger containing, in separate columns, under the name of each member; the numbers of the shares originally allotted to, or entered in the name of, or subsequently acquired by such member, with the dates of such allotments, entries, and transfers respectively, and a reference to the pages containing the names of the transferors ; the numbers of all shares transferred, with the date of such transfers respectively ; a reference to the pages containing the names of the transferees ; and such particulars of the amounts paid upon such shares as the committee direct.

43. *Forms of Transfer.*—Transfers shall be in one of the forms hereinafter contained, or as near thereto as the case allows; they shall be numbered continuously, and shall state the number of each share transferred ; and shall be executed by the transferor and transferee, and kept in the office of the society, and entered under their numbers in a register of transfers, with such other particulars as the committee direct ; and the number of each transfer shall be entered in the share ledger, under the name of the transferor and the transferee.

44. *Registration of Transfers.*—No transfer shall be registered unless it is properly stamped, nor if made by a member indebted to the society, without special order of the committee ; and until the transfer of a share is registered no right shall be acquired against the society by the transferee, nor shall any claim of the society upon the transferor be affected.

45. *To whom Transfers may be made.*—Any share may be transferred with the approval of the committee to any other member at the option of the transferor ; but if the transferee is not a member he must be approved of as a member by the committee, or the committee and a general meeting, according

to the provisions of the rules relating to the admission of members, before the transfer can be registered ; and if the rules require a member to hold more than one transferable share, the transferee must acquire by the transfer, or by the transfer and allotment, the number so required to be held before the transfer can be registered.

46. *Fee on Transfers.*—Upon each transfer of any share there shall be paid such fee not exceeding sixpence as the committee may fix.

47. *Payment of Stamp Duty by the Society.*—The committee may pay the stamp duty upon the transfer of any share which a member is required to hold, made for the purpose of enabling him to withdraw from the society.

48. *Lien of Society on Shares.*—The society shall have a first lien on the shares of any member for any debt due to it by him, and may set off any sum credited to the member thereon in or towards the payment of such debt.

49. *Sale of Shares to Pay Debts.*—The committee may, in default of payment by any member indebted to the society in any manner contrary to its rules, to an amount not less than three-fourths of the sum paid up for the time being on any transferable share held by him for fourteen days after notice to pay, sell and transfer in the books of the society such share to any person entitled to hold the same under the rules, for the best price obtainable therefor, and apply the proceeds in or towards the discharge of the debt so due and any expenses incurred in or about the same, paying over the balance thereof, if any, to the member without being responsible for any loss occasioned thereby. Any transfer so made shall extinguish all right of such member in the share so transferred, and shall operate as an original issue thereof, subject to the credit to be given to the purchaser for all payments previously made thereon.

50. *Limit to Amount Expended on Repayments.*—The amount expended in the repayment of any transferable shares shall not exceed any sum placed at the disposal of the committee for that purpose from time to time by the general meetings of the society, and shall be regularly stated in the accounts of the society.

Sec. 3.—Transmission of Interest.**51. *Transmission by Death:***

(1) *Nominations.*—The secretary shall keep a book, in which he shall register or record all nominations made by members of the society of any person or persons, not being officers or servants of the society, unless any such officer or servant is the husband, wife, father, mother, child, brother, sister, nephew, or niece of the nominator, to whom such nominator's shares (the term shares including, for the purposes of clauses (1) and (4) of this rule, loans and deposits) shall be transferred at his decease, provided that the amount credited to him in the books of the society does not exceed £100.

(2) *Revocations.*—The secretary shall in like manner record or register all revocations or variations of such nominations by the nominator.

(3) *Fees on Nomination or Revocation.*—The nominator shall pay 3d. to the management fund for the recording or registering of every such nomination, revocation, or variation.

(4) *Proceedings on Death of a Member.*—Subject to the provisions of the Provident Nominations and Small Intestacies Act, 1853, the shares shall be dealt with as follows:—

(a) On receiving satisfactory proof of the death of a nominator, the committee shall, at their option, either transfer the shares in manner directed in such nomination, or pay to any person entitled thereunder the full value of his interest, unless the shares to be transferred to any nominee would raise his interest in the society to an amount exceeding £200, in which case they shall pay him the full value of such shares, not exceeding the sum aforesaid :

(b) If any member entitled to an interest in the society, not exceeding £100, dies intestate, and without having made any nomination which remains unrevoked at his death, such interest shall be

transferable or payable without letters of administration, to or among the persons who appear to a majority of the committee, upon such evidence as they may deem satisfactory, to be entitled by law to receive the same;

(c) If any member, entitled to an interest in the society not exceeding £100, dies leaving a will and without having made any nomination which remains unrevoked at his death, or if any member entitled to an interest in the society exceeding £100 dies, such interest shall be transferable or payable only to his executors or administrators, on proof of such death to the satisfaction of the committee, together with the production of the probate of his will or letters of administration to his estate, as the case requires.

52. *Transmission by Bankruptcy.*—If any member becomes bankrupt, his interest in the society shall be transferable or payable to the trustee of his property.

53. *Extinction of Shares Paid off.*—An entry of each share paid off under Rules 51 or 52 shall be made in manner provided by Rule 35, and thereupon the share shall be extinguished.

54. *Notice of the Right to Nominate.*—A notice of the right to nominate shall be sent to each individual member who has not exercised this right, with the report of the first ordinary business meeting in each year of which a report is circulated among the members, and shall be otherwise given, as such meetings may direct.

55. *Transfer to Make Membership.*—Every nominee or other person to whom any share is transferred under this section shall thereby become a member of the society, if not previously a member.

56. *Joint Holders of Shares.*—On the decease of a joint holder of any share it shall be transferred into the name of the survivor on his application.

CHAPTER VI.—GOVERNMENT & ADMINISTRATION.

Sec. 1.—General Meetings.

57. *Ordinary and Special Meetings.*—Meetings of the members shall be either general, which include (1) ordinary business meetings, (2) special general meetings; or monthly.

58. *Ordinary Business Meetings.*—The first ordinary business meeting of the society after it is established shall be held at such time as the special members fix, and the subsequent meetings at such times as the Special Rules determine, and if they do not direct otherwise, on each 6th and 12th month after the first meeting, upon such days and hours as are fixed by the resolutions of any such meetings from time to time, and so far as no such resolution extends by the committee.

59. *Monthly Meetings.*—Monthly meetings shall be held as the ordinary business meetings direct, and shall have such functions as is so directed, and so far as no such direction extends the following functions :—

- (1) To confirm or not the election of members and the transfer of shares, if the rules require such elections or transfers to be confirmed by a general meeting ;
- (2) To discuss the affairs of the society ;
- (3) To explain the principles and rules of the society ;
- (4) To make suggestions for the consideration of the committee ;
- (5) To recommend the names of persons suitable for election as officers of the society.

60. *Functions of Ordinary Business Meetings.*—The functions of ordinary business meetings shall be :—

- (1) To receive from the committee, auditors, or any other officers of the society, reports upon the business of the society during the period embraced therein and the state of its affairs at the date thereof, which, except any such meeting directs otherwise, shall be made to every such meeting ;

(2) To elect the committee, auditors, and other officers of the society, excepting those whose appointment is given by the rules to the committee;

(3) To transact any other general business of the society.

61. *Time and Place of Holding such Meetings.*—Any ordinary business meeting may fix, from time to time, its place of meeting, which, where no other place is so fixed, shall be the registered office of the society.

62. *Notice of Time and Place of Meeting.*—Such notice shall be given of the time and place of the first ordinary business meeting as the special members direct, and subsequently, notice of the time of every ordinary business meeting, and of the place where it is to be held if it be other than the registered office of the society, and, in case the meeting has to elect any officer of the society, of what officers are to be then elected, shall be given by fixing such notice conspicuously in the registered office and every place of business of the society for fourteen clear days before the day of the meeting, and otherwise, as such meetings may direct.

63. *Special General Meetings.*—Special general meetings shall be convened by the secretary, either on an order of the committee, or upon a requisition signed by half the number of members if not more than forty, and twenty if forty or upwards, and shall be held as soon as is possible after the receipt of such order or requisition, and at the ordinary place and time of the business meetings of the society, unless any ordinary business meeting fixes any other place of meeting.

64. *Notice of Special General Meetings.*—Notices convening a special general meeting shall state the time and place thereof, and every purpose for which it is convened, and shall be posted to the registered address of all the members not less than six clear days before the day of meeting, unless in any case of emergency where the committee unanimously direct a shorter notice to be given.

65. *Where Members may give Notice.*—If the secretary does not convene a special general meeting in manner required hereby, for seven clear days after a requisition

therefor, signed as hereinbefore is provided, has been delivered at the office of the society, any of the requisitionists may give such notice of the meeting as is provided by Rule 64, and shall have a claim upon the society for all costs, if any, properly incurred in giving such notice.

66. *Business of Special General Meetings.*—A special general meeting cannot transact any business not specified in the notice convening it, nor unless the notice convening it has been given according to the rules. But an ordinary business meeting may be made special for any purpose of which notice has been so given, provided that such business is not brought on until the ordinary business is concluded.

67. *Quorum of General Meetings.*—An ordinary business or special general meeting may proceed to business if ten members are present within an hour after the time fixed for the meeting ; otherwise the meeting, if a special general meeting convened on the requisition of the members, shall be dissolved, but if an ordinary business meeting or a special meeting convened by order of the committee, shall stand adjourned to the week following, at the same time, and shall be held at the principal place of business of the society, unless any resolution of an ordinary business meeting directs otherwise, in which case it shall stand adjourned to such place as is so directed ; and the meeting so adjourned may proceed to business whatever is the number of members present. No meeting shall become incompetent to transact business from the want of a quorum arising after the chair has been taken.

68. *Power of Adjournment.*—Any general meeting, duly constituted, may adjourn to such place, at such time within thirty days as the members present direct, and may continue any such adjournment from time to time. No business shall be brought on at any adjourned meeting which could not have been transacted at the original meeting ; and the same notice shall be given of any meeting adjourned for more than fourteen days, as was required for the original meeting.

69. *Quorum of Monthly Meetings.*—A monthly meeting shall be dissolved if such number of members are not present within such time after the hour of meeting as the meeting appointing them fixes, and subject thereto if ten members are not present within fifteen minutes.

70. *Chairman of Meetings.*—Every meeting shall have a chairman, who shall not vote unless the votes are equal, when he shall have a casting vote; and who, in the absence of the president of the society, shall be any member of the committee willing to preside; and in the absence of any such member, such person as the meeting selects.

71. *Votes of (1) Individuals, (2) Societies or Companies.*—
(1) Each individual member present, who holds such number of shares as an individual is required to apply for on admission, and is credited in the books of the society with a sum equal to one share, and is not disqualified by Rule 19; and such one of the joint holders of the like number of shares credited with the like sum and not so disqualified as they appoint in writing, shall have one vote. Proxies shall be admitted only if the Special Rules so direct and under the conditions therein stated. (2) A society or company which holds such number of shares as it is required to apply for on admission, and is not in arrear of the subscriptions due thereon, may vote by a deputy, who shall have one vote.

72. *How Votes shall be Taken.*—Votes shall be first taken by show of hands, unless a ballot on any question is demanded by five members present, when they shall be taken by ballot as the committee fix. Subject to any special direction contained in any rule of the society or Act of Parliament, all questions shall be determined by a majority of votes.

73. *Appointment and Powers of Deputies* —A deputy shall be appointed by a resolution signed by the secretary and two members of the committee of the society or company, and sent to the secretary of this society. He shall be taken to be a member of this society on behalf of such society or company, and shall be included in the number of members required to constitute a meeting; and shall be competent

during the continuance of his appointment to do any act consistent therewith which could be done by an individual member ; and the appointment of a deputy shall be taken to continue until notice of the withdrawal of his appointment, or of the appointment of some other deputy in his stead is so given as above stated.

74. *Conduct of Members.*—The committee, if they find it requisite, may pass resolutions for regulating the conduct of members at meetings, or the time after which divisions shall not be taken ; which shall be binding on all the members, subject to any resolutions of the ordinary business meetings thereon.

Sec 2.—The Committee of Management.

75. *How Committee to be formed.*—The business of the society shall be conducted by a committee of management, which, until the first ordinary business meeting after this rule is registered is held, shall consist of the special members, and after such meeting shall consist of such number of committee-men as the ordinary business meetings may fix from time to time, and subject thereto, and of four committee-men elected at such meeting.

76. *Retirement and re-eligibility of Committee-men :*

(1) At each ordinary business meeting one of the committee-men shall retire and another shall be elected ; the order of retirement being fixed so far as is practicable by priority of election, but if necessary by ballot. A retiring committee-man shall be immediately eligible.

(2) If a vacancy caused by the retirement of any committee-man is not filled up by the meeting by which it ought to have been filled under the rules, the retiring member may continue to act until the next ordinary business meeting.

77. *Removal of Members of Committee.*—A committee-man may be removed from office at any time by two thirds of the members voting at a special general meeting, which may thereupon proceed to fill up his place by a vote of the majority of the members voting.

78. *Qualification of a Committee-man.*—No person can be a committee-man who is not a member; and, except in the

cases where the Special Rules provide otherwise, a person who holds any place of profit under the society shall be disqualified from being a committee-man; and any person who accepts such a place, or becomes bankrupt, or is concerned in the profits of any contract made with the society, except as a member of any society or company which contracts with or does any work for it, shall thereupon vacate his office.

79. *Vacancies—How to be filled up.*—A vacancy in the number of committee-men arising from any such disqualification as aforesaid, or the removal of any committee-man whose place is not filled up by the meeting by which he is removed, or the death, resignation, incapacity for acting, or refusal to act, of any committee-man, shall be filled up with some qualified person (1) if it arises in the interval between two ordinary business meetings, by the remaining members of the committee, or if not so filled, by the next meeting; (2) if it arises at any such meeting, by the meeting, and in the last case any committee-man who may resign shall be immediately re-eligible. Every person so appointed, or elected by the meeting to fill any vacancy, shall be substituted for the member who has caused the vacancy, and shall retire from office at the time when such member would have retired.

80. *General Powers of the Committee.*—Subject to the provisions as to the manager of the society hereinafter contained, the committee shall control all business carried on by or on account of the society. They shall from time to time, engage, remove, or discharge all assistant managers, salesmen, or employés of any description, other than manual workers, required to conduct any such business, and fix their duties, salaries, or other remuneration, at such rates, and require them to give such security, in such forms approved of by them, as they determine. They shall decide on the evidence to be produced for establishing the claim of any nominee, executor, administrator, or official trustee to any share in the society; and may institute, prosecute, compromise, or refer to arbitration any suit, debt, liability, or claim against, by, to, or on the society; and in any case for which the rules of the society do not expressly provide, may exercise any power which could be exercised by the society in general meeting, other than such as by the law for the time being relating to Industrial

and Provident Societies may be required to be exercised by such meetings, and so that in the exercise of any such power they do nothing inconsistent with the previous resolutions of such meetings. And all acts or orders done or given by the committee in the name and on behalf of the society under any power hereby given them, shall bind the society and every member thereof as fully as if they had been acts or orders of a majority of the members of the society, at a general meeting thereof, acting in exercise of the powers given them by the rules.

81. *The Committee to Summon Meetings, Provide Books, &c.*—It shall be the duty of the committee, under such penalties, if any, as the Special Rules direct—

(1) To convene all meetings of the society according to the rules thereof, subject to the provisions hereinbefore contained as to special general meetings;

(2) To provide proper books for entering the accounts of all business carried on on behalf of the society, and the minutes of all meetings thereof, and of their own proceedings, and for making all such entries as are hereby required, or as any general meeting may direct;

(3) To provide such forms as are necessary in consequence of the provisions of the rules, and for the same being kept, made up, or used in such manner as in their discretion they think desirable;

(4) To provide a sufficient supply of copies of the annual returns and books of rules to comply with the directions of Rule 113.

82. *The Committee to lay Statement of Accounts and Report before the General Meetings.*—The committee shall prepare a statement of the accounts of the society, in such form as the ordinary business meetings direct from time to time, and lay them, duly audited by the persons appointed to audit the same, before each ordinary business meeting, unless such meetings direct otherwise, and in that case before such meetings as they may direct, accompanied by a report on the position of the affairs of the society, signed by the chairman of the meeting at which such report is adopted.

83. *Time, Place of Meeting, and Quorum of the Committee.*—The committee shall meet at such times and places as the ordinary business meetings direct, and, so far as no such direction extends, at such times and places as they determine, but shall not proceed to business unless three members are present. No member of the committee shall vote on a question on which he is personally interested.

84. *Fines for Non-attendance.*—The ordinary business meetings may impose fines on any member of the committee for non-attendance, provided that no such fine is retrospective.

85. *Chairman of the Committee.*—Every meeting of the committee shall have a chairman, who shall be the president of the society if present, and in his absence such one of the members of the committee as they appoint. The majority of votes shall decide, and in case of an equality of votes the chairman shall have a second casting vote.

86. *Special Meetings of the Committee.*—A special meeting of the committee may be called by a notice in writing given to the secretary by two members one clear day before such time. The secretary shall communicate every such notice to all members of the committee as soon as possible after the receipt thereof; and no other business shall be done at the meeting than the business named therein.

87. *Appointment of Sub-committees.*—The committee may delegate any of the powers hereby given to them to a sub-committee of its own members, who shall, in the functions entrusted to them, conform in all respects to the instructions given them by the committee.

Sec. 3.—Officers of the Society.

88. *The President:*

(1) The president shall be elected at the first ordinary business meeting of the society after these rules are registered, and subsequently at the first ordinary business meeting in each year;

(2) He must be a member of the society, and shall be disqualified from office by the same circumstances which are disqualifications for a committee-man, and shall be removable from office by such a majority as can remove a committee-man;

(3) He shall be re-eligible, and if no successor is appointed on the termination of his office shall continue in office until the next regular period of election;

(4) A vacancy in his office shall be filled up at the next ordinary business meeting after it occurs, and if not then filled up by the members may be filled up by the committee; but the person so appointed shall continue in office only till the regular time of election, subject to clause (3).

(5) He shall take the chair, if present, at all meetings of the society or the committee; and shall sign the reports to be laid before the meetings of the society, after they are approved of by the committee.

89. *The Treasurer :*

(1) The ordinary business meetings may appoint and remove a treasurer of the society, who, subject to any direction given by such meetings—

(a) Shall supervise the accounts and payments of the society, which shall be entered in the books thereof as he from time to time directs, under the orders of the committee;

(b) Shall lay before the committee at such times as they direct, and in default of any other direction at the first meeting in every month, a statement of the business of the society, showing such particulars as the committee require;

(c) Shall discharge any other functions relating to the receipts or payments of the society, which the committee may direct.

(2) Subject to any such appointment and direction, the committee shall make such arrangements for the discharge of the duties of treasurer as they think expedient.

90. The Secretary :

(1) There shall be a secretary of the society, with the duties following :—

(a) He shall summon and attend all meetings of the society and of the committee, and of any sub-committee, if so required by the committee, and shall keep minutes thereof in such manner as the committee direct ;

(b) He shall make such returns relating to the business of the society as the committee require ;

(c) He shall have charge of the documents and other papers of the society, and if required by the committee shall keep the accounts in such manner as they direct ;

(d) He shall keep all the books relating to shares, loans, or deposits required to be kept under the rules of the society, and the list of members, and shall receive all contributions, fines, and other payments due from the members to the society, and keep the accounts thereof, and pay over the amount so received as the committee directs ;

(e) He shall prepare and send all returns required to be made to the Registrar ;

(f) He shall in all things act in the discharge of his duties under the direction and control of the committee.

(2) The secretary shall be appointed and removable by the committee, who shall fix his salary, and may appoint and remove any clerks or other assistants required to aid him, and determine their duties and salaries.

91. Remuneration of Officers.—The ordinary business meetings may from time to time remunerate the president, committee-men, or treasurer, for their services, in such manner and to such amount as they may think fit.

92. Accounts of and Security by Officers :

(1) *Generally.*—It shall be the duty of every officer of the society having the receipt or charge of any moneys thereof, his executors, or administrators, at

such time as the society may direct, and subject thereto as the committee require, or upon demand made, or notice in writing given or left at his last or usual place of residence, to give in his account, as may be required by the society or the committee, to be examined and allowed or disallowed by them, and on the like demand or notice to pay over all moneys and deliver all property for the time being in his hands or custody to such person as the society or the committee appoint.

(2) It shall be the duty of every person holding any office touching the receipt or charge of any moneys of the society, under such penalty as the society may direct, and subject thereto the minimum penalty attached to an offence under the Act, before entering on the execution of his office, either to enter into an agreement or to become bound, with or without a surety, as the committee require, in such forms as they approve from time to time, or to give the security of a guarantee society in such sum as they direct, for rendering a full and true account of all moneys received or paid by him on account of the society, at such times as the Special Rules fix or as the committee require, and for the payment of all sums due from him to the society. [See the Act, § 13 (1), (2).]

Sec. 4.—Conduct of Business.

93. *The Manager.*—The committee shall appoint, at such salary as they determine, a general manager, who, subject to the resolutions of the committee from time to time, shall have the following powers :—

(1) He shall superintend the business of the society, receive and give receipts for all moneys due to it, engage and, with such consent as is hereinafter provided by Rule 99, discharge all workmen employed by it and regulate their wages, determine the prices to be paid or charged for all goods bought or sold on its account, and, subject to the approval of the committee, make all contracts entered into on its behalf other than any contract relating to the purchase of land, which shall not be made except on a previous resolution of the committee.

(2) He may give and take such credit as is usual in the trade, and in the course of the business of the society may draw, accept, or endorse any bill of exchange on its behalf; but shall not borrow money on its behalf, or in any other way pledge its credit, without the authority of the committee.

(3) He shall, whenever required by the committee, report to it on any matter connected with the business of the society, and at the first meeting in every month shall make a regular report on the business of the society during the last month, containing all such particulars as the committee requires for the time being.

(4) The manager may be a member of the committee.

(5) *The committee* may, by a vote of three-fifths of their number if not more than five, or two-thirds if over that limit, suspend the manager from the execution of his duties, until they can bring the question of the ground of such suspension before a special general meeting, which shall be convened with the least possible delay, and may either, reinstate the manager or continue his suspension for the purpose of investigation, or by the vote of a majority of two-thirds of the members present remove him.

(6) *The committee* shall provide for the discharge of the duties of the manager during such suspension, as last aforesaid, or any vacancy in the office.

(7) *The ordinary business meetings* may apply as an additional remuneration of the manager and assistant managers any proportion of the net profits of the business, not exceeding 25 per cent thereof, which they think fit, to be paid to or divided between such officers, or any of them, as they may direct.

94. *Payment of Moneys into Bank.*—All moneys received from the members or otherwise on behalf of the society shall be applied for the purposes of the society as the general meetings direct from time to time, and subject thereto shall be placed to the account of the society with such bank as the committee select; and if not impracticable with the Co-operative Federation, or some banking society or company which is a member of the Co-operative Union;

and, if the moneys of the society cannot conveniently be thus disposed of, shall be kept in such custody as the committee direct from time to time.

95. *Payment by Cheques, subject to the Direction of any General Meeting.*—When a banking account is opened, all payments above such sum as the general meetings fix from time to time, and subject thereto £5 shall be made by cheques, signed by two of the committee, and countersigned by the secretary.

96. *The Seal of the Society—its Custody and Use.*—The society shall have its name engraven in legible characters upon a seal, which shall bear such device as is directed by the Special Rules, and shall be in such custody as the committee appoint; and shall be used only under the authority of a resolution of the committee, the date whereof shall be mentioned on the instrument to which the seal is attached; and shall be attested by the signature of two members of the committee and the countersign of the secretary.

97. *Use of Name of the Society.*—The name of the society shall be mentioned in legible characters in all notices, advertisements, and official publications, bills of exchange, promissory notes, endorsements, cheques, or orders for money or goods purporting to be signed by or on behalf of the society, and on all bills of parcels, invoices, receipts, or letters of credit of the society, and shall be conspicuously painted or affixed, and kept painted or affixed, on the outside of every office or place of business of the society. [See the Act, § 10 (1, b).]

98. *Complaints and Suggestions.*—A member or customer who has any complaint to make as to the quality, quantity, or price of any goods supplied by the society, or any suggestions for better carrying into effect the objects of the society, shall send the particulars of such complaint or suggestion to the committee, who shall inquire into and decide upon them, and shall report such decision to the next ordinary business meeting.

99. The Board of Conciliation:

(1) There shall be a board consisting of one member of the committee, who shall be chairman, and four other members, elected at the first ordinary business meeting in each year from members of the society employed as workers, or workers entitled to become members, to which shall be referred all complaints against any person who has been employed by the society for more than twelve weeks during the twelve months last previous which are of a nature to involve any greater penalty than a fine not exceeding 5s., and which shall report to the committee their award in the matter.

(2) The manager or committee may appeal from any award of the board to a general meeting, whose decision shall be final. But, subject to such appeal, they shall respectively give effect to every award of the board.

Sec. 5.—Federation.

100. Co-operative Productive Federation.—This society shall promote, so far as may be practicable, union among productive societies for purposes of common utility.

Sec. 6.—Evidence.

101. Minutes to be Evidence of Proceedings.—The minutes of all meetings of the society or committee, containing such particulars as the committee direct from time to time, shall be regularly recorded by the secretary ; and the minutes of every monthly or ordinary business meeting of the society, and of every meeting of the committee, shall be read at the next of such meetings respectively, and signed by the chairman of the meeting at which they are so read, and the minutes of every special general meeting shall be read at the meeting of the committee following, and signed by the chairman of such meeting ; and all minutes so signed shall, in the absence of evidence to the contrary, be taken as between the society and every member thereof to be a true statement of any matter therein contained, subject to the correction of any patent error.

102. *What to be sufficient Notice.*—Every member shall be taken to have due notice of every meeting, resolution, or other matter of which notice is required by the rules of the society to be given, if the same is made known by posting or sending a notice to the registered address of such member.

CHAPTER VII.—ACCOUNTS AND RETURNS.

Sec. 1.—The Auditors.

103. *Number of Auditors.*—There shall be, subject to the appointment of any public auditor, two auditors of the society.

104. *Appointment of Auditors:*

(1) The auditors shall be elected at the first ordinary business meeting of the society after this rule is registered; and afterwards one shall retire and one shall be elected at each ordinary business meeting, the order of retirement of the first auditors being fixed by themselves;

(2) A retiring auditor shall be re-eligible;

(3) A vacancy in the appointment of an auditor may be filled up by the committee;

(4) No servant of the society can be an auditor;

(5) Any such meeting, in lieu of electing an auditor, may direct that the accounts shall be audited by a public auditor appointed under the Act, named thereby; and thereupon the appointment of the then continuing auditor shall be vacated, and the audit shall be conducted by such public auditor;

(6) Any subsequent general meeting may vary such direction by substituting the name of another public auditor, or, by a resolution whereof notice has been given as in the case of a special general meeting, may rescind the same; and thereupon the meeting shall elect auditors, who shall retire and be re-eligible as is provided by clauses (1) to (3).

105. *Duties of the Auditors.*

(1) *General.*—The auditors shall audit the accounts of the society to be prepared by the committee as herein-before provided, for the period intervening from the formation of the society, or their last audit, to the beginning of the last calendar month previous to each ordinary business meeting, and shall lay before it a balance sheet of the receipts and expenditure of the society during the period to which the audit extends, and a statement of its assets and liabilities at the time of such audit, both signed by them, which shall specify the total amount of all moneys borrowed by the society, distinguishing the character of the securities on which each is obtained.

(2) *Annual Return.*—The auditors shall examine the annual return after-mentioned, and verify the same, with the accounts relating thereto, and shall either sign the same as found by them to be correct, duly vouch'd and in accordance with law, or specially report to the society in what respects they find it incorrect, unvouch'd, or not in accordance with law. [See the Act, § 10 (1, c).]

106. *Powers of the Auditors.*—The auditors shall be entitled to call for and examine any paper or document belonging to the society, and shall make a special report to the society upon any matter connected with the accounts which appears to them to require notice.

107. *Audited Accounts to be Binding on the Members.*—Every balance sheet signed by the auditors and approved of by the meeting to which it is presented shall be binding on all members of the society, excepting as to any error therein exceeding the sum of ten pounds brought before the next ordinary business meeting.

108. *Copy of Accounts and Report.*—A copy of the last balance sheet of the society and of the report of the auditors shall be kept always hung up in a conspicuous place in the registered office of the society. [See the Act, § 10 (1, g).]

109. *Remuneration of the Auditors.*—The auditors shall receive such remuneration as the ordinary business meetings vote them from time to time.

Sec. 2.—Inspection of Accounts.

110. *Individual Right of Inspection.*—Any member or person having an interest in the funds of the society may inspect the books and the names of the members at all reasonable hours at the registered office of the society, or at any place where the same are kept, subject to such regulations as to the time and manner of such inspection as may be made from time to time by the general meetings of the society, except that no such member or person, unless he be an officer of the society, or be specially authorised by a resolution thereof, shall have the right to inspect the *loan or deposit* account of any other member without his written consent. [See the Act, § 10 (1, e).]

111. *Inspection on Order of the Registrar :*

(1) An application may be made under section 15 of the Act—

(a) To appoint one or more inspectors to examine into the affairs of the society and to report thereon;

(b) To call a special meeting of the society in manner and for the purposes provided by such sections.

(2) The application may be made—

(a) If the number of members does not amount to 1,000, by one-fifth part thereof;

(b) If it amounts to 1,000, but does not exceed 10,000, by 100 members;

(c) If it exceeds 10,000, by 500 members.

(3) The application must be supported by such evidence for the purpose of showing that the applicants have good reason for requiring such inspection to be made or meeting called, and are not actuated by malicious motives therein, and be made on such notice to the society as the Chief Registrar directs.

(4) Unless the Registrar to whom it is made directs otherwise, all expenses of and incidental to any inspection or meeting ordered by him shall be defrayed out of the funds of the society. [See the Act, § 15 (1-4).]

Sec. 3.—Annual Return.

112. *What, and When to be Made:*

(1) The committee shall, at such time not later than the 31st day of May in each year as they determine, send to the Registrar a general statement, to be called the annual return, of the receipts and expenditure, funds and effects of the society as audited, which—

(a) Shall show separately the expenditure in respect of the several objects of the society;

(b) Shall be made up to the 31st day of December then last inclusively;

(c) Shall state whether the audit has been conducted by a public auditor appointed as by the Act is provided, and by whom;

(d) If the audit has been conducted by any person other than a public auditor, shall state the name, address, and calling or profession of each such person, and the manner in which and the authority under which he is appointed.

(2) Together with such return the committee shall send a copy of every auditor's report during the year whereto the same return relates. [See the Act, § 10 (1, d, g).]

113. *Copies of Annual Return and Rules.*—It shall be the duty of the committee to supply to every member or person interested in the funds of the society, on his application—

(1) Gratuitously a copy of the last annual return for the time being of the society. [See the Act, § 10 (1, f).]

(2) To every person on demand a copy of the rules, at such price, not exceeding one shilling, as the committee fix from time to time. [See the Act, § 9 (5).]

CHAPTER VIII.—PROFITS.

Primary Charges.

114. The net profits of all business carried on by or on account of the society, after providing for the interest and dividend upon any loans or deposits, or guaranteed preferential shares, according to the rates respectively agreed to be paid, shall be applied as follows:—

(1) *Reduction of Fixed Stock, &c.*—In reduction of the value of the fixed stock and plant of the society, at the annual rate of 10 per cent on fixtures, and of $2\frac{1}{2}$ per cent on shops, warehouses, or other buildings;

(2) *Reduction of Preliminary Expenses.*—In the reduction of the preliminary expenses (if any) incurred in forming the society, and remaining unwritten off in its books, at such rate, being not less than £5 per cent per annum, as the ordinary business meetings on the recommendation of the committee from time to time direct;

(3) *Dividend on Share Capital.*—In paying this dividend according to the rate fixed by the Special Rules;

(4) *Reserve Fund.*—In forming, by applying such percentage of the net profits after providing for the preceding charges (as the committee determine), a reserve fund to which all fines shall be carried, applicable, by a resolution of the ordinary business meetings, on the recommendation of the committee—

(a) To meet any other contingency affecting the business of the society;

(b) To any other purpose which the general meetings direct from time to time;

(5) *Educational Fund.*—In promoting instruction, culture, or recreation, by forming an education fund, to which $2\frac{1}{2}$ per cent of the net profits, or such larger sum as any ordinary business meeting may vote, shall be carried;

(6) *Congress Fund*.—In paying a subscription to the funds of the Co-operative Union according to the rules and orders thereof;

(7) *Social Fund*.—In promoting any social or provident purpose, including the formation of a sick and funeral fund, authorised by any special general meeting, or any two successive ordinary business meetings, by applying thereto such sums as the ordinary business meetings may vote.

Note—The application of the profits, subject to these charges, is left to be dealt with by the special rules of the society.

115. *Educational, Provident, and Social Funds*:

(1) *Qualification of Rule as to*.—The provisions (5) and (7) of Rule 114 may be qualified or superseded by the resolution of any special general meeting.

(2) *Mode of Dealing with—Special Accounts, and Committees for*.—The funds appropriated under the last-named provisions shall be applied for their respective objects in such manner as the ordinary business meetings direct from time to time, and separate accounts shall be kept thereof. In every case where specific funds are voted for educational, provident, or social purposes, a separate account shall be kept of all sums voted for such purposes, and a special committee of such number of members, appointed in such manner as is fixed by such ordinary business meetings from time to time, shall be named in each case, who shall be responsible to them for the due application of the funds placed under their care; and the accounts of all such funds shall be regularly audited by the auditors of the society and submitted to the ordinary business meetings, at such periods as they direct from time to time, and subject thereto at each such meeting.

116. *Members in Arrears of Subscriptions*.—No interest or dividend shall be paid to any member who is in arrear of his subscriptions, but all such moneys shall be applied so far as they extend in payment of all such arrears.

117. Dividends when not passed by a Transfer.—Dividends on shares transferred within six days, or such other time as the ordinary business meetings fix before the time when they become payable, shall be paid to the transferor unless he directs otherwise.

CHAPTER IX.—DISPUTES AND EXPULSION OF MEMBERS.

118. Disputes—how to be determined.—All disputes arising between a member, or any person claiming through a member, or under the rules of the society, and the society or any officer thereof, other than claims arising under Rule 98, shall be dealt with as follows:—

(1) *Appointment of Arbitrators.*—At the first or any subsequent general meeting of the society after this rule is registered, five arbitrators shall be elected, none of whom are directly or indirectly interested in the funds of the society.

(2) *Mode of Selection.*—In any case of dispute the secretary of the society, or such other person as the committee direct, shall, in the presence of the complaining party or some one appointed by him, write the names of the arbitrators for the time being upon separate pieces of paper, and place them so that the names shall be concealed, from which the complaining party or his representative shall draw three, and the persons whose names are so drawn shall be the arbitrators to decide the dispute.

(3) *Vacancies* in the number of arbitrators shall be filled by the first general meeting after they occur, and if not then filled, by the committee.

(4) *If Arbitrators fewer than Three.*—Two arbitrators shall be competent to hear and decide any question, but shall, before hearing it, appoint an umpire, by whom, if they differ, the question shall be determined.

(5) The costs of an arbitration shall be borne as the arbitrators direct, and each party shall deposit such sum as the society directs, and subject thereto 10s., to abide their decision.

119. *How a Member may be Expelled.*—A member may be expelled by the vote of two-thirds of the members present at a special general meeting of the society, upon a charge in writing of conduct detrimental to the society, communicated to him by order of the committee for one calendar month before the meeting.

120. *Payment of Expelled Member.*—A member so expelled shall be paid the full sum paid on any shares in the society held by him at the date of the resolution for his expulsion; and all transferable shares held by him shall be extinguished upon such payment being tendered, whether the member accept the tender or not; and an entry referring to the minute of expulsion and the date of such tender shall be made on the register of shares under all such shares.

121. *Re-admission of Expelled Member.*—No expelled member shall be re-admitted except by a vote of two-thirds of the members present at an ordinary business meeting, on a motion of which notice has been given.

CHAPTER X.—ALTERATION OF RULES.

122. *Majority Requisite to make Alterations.*—Any rule of the society not declared to be fundamental in manner hereinafter stated, may be rescinded or altered, or any new rule be made, by a majority of two-thirds of the members present at any special general meeting.

123. *Fundamental Rules.*—The Special Rules of the society may declare any rule of the society therein mentioned, including this provision, to be fundamental; and no rule comprised in such declaration shall be rescinded or altered without such consent so given as is thereby specified.

124. *Additions or Alterations.*—Application for the registration of every addition, repeal, or alteration shall be made to the Registrar for the country where the society is established, in manner and form required by the Treasury regulations, so soon as is practicable after the same has been made; and a copy thereof shall be issued with every copy of the rules issued after the registration thereof.

CHAPTER XI.—CHANGE OF NAME, AMALGAMATION, CONVERSION INTO A COMPANY. & DISSOLUTION.

125. (1) *Change of Name, &c.*—The society may, by special resolution passed in manner prescribed by the Act:

(a) Change its name, with the approval of the Registrar* in writing;

(b) Amalgamate with or transfer its engagements to any other society or company, or accept any such transfer;

(c) Convert itself into a company under the Companies Acts as in the Act prescribed. [See the Act, § 16 (1-7).]

(2) *Dissolution.*—The society may be voluntarily dissolved:—

(a) By a resolution to wind it up, made as is directed in regard to companies by the Companies Act, 1862.

(b) By an instrument of dissolution signed by three-fourths of the members for the time being, and in the form prescribed by the regulations in force under the Act. [See § 17 (3).]

CHAPTER XII.—FORMS OF INSTRUMENTS.

126. *Instruments shall have the following Forms.*—The instruments referred to in the preceding rules shall be in the forms following, or as near thereto as the case allows. The date, the name of the society, and, if the case requires, an address to the committee shall in all cases be prefixed:—

(1) *Application for Admission by an Individual:*

(a) *By Application for Shares.*—I, the undersigned, hereby apply for [transferable] or [withdrawable] shares in the above-named society, in respect of which I agree to make the payments required by the rules of the society, and otherwise to be bound thereby.

Signature of applicant, stating his address and occupation.

(b) *By Payment for a Copy of Rules.*—Received this day a copy of the rules of the above-named

* The Chief Registrar in England, or the Assistant Registrar for Ireland or Scotland, if the society is registered and does business exclusively there.

society, for which I have paid [*on account of the undermentioned applicant**] the sum required to be paid on an application for admission to the society.

Signature as above, or if the payment is made by any other person than the applicant, of this person, stating the name, address, and occupation of the applicant.

(2) *Application for Shares by a Society or Company.*
 We, the undersigned, secretary, and two of the committee of management of the [Society Limited] hereinafter called the applicant, in virtue of a resolution thereof, dated the day of , hereby apply on its behalf for [transferrable or [withdrawable]] shares in the above-named society, in respect of which the applicant hereby agrees to make all payments required by the rules of the above-named society, and otherwise to be bound thereby. In witness whereof we have signed our names hereto, by the authority of the society.

Signatures of the members of the committee, and countersign of the secretary, stating respectively their qualifications as such, and the registered office of the applicant.

The same form applies to a company, substituting company, with or without limited as the case may be, for [Society Limited], and board of directors for committee.

(3) *Transfer between Individuals.*—This instrument, made the day of 18 , between A of , and B, of , witnesses, that in consideration of the sum of £ , paid by the said B to me, I, the said A, hereby transfer to the said B, his executors, administrators, and assigns, the shares, numbered , now standing in my name in the books of the above-named society, to hold the said shares upon the same conditions on which I now hold the same; and that I, the said B, hereby accept the said shares, subject to the said conditions. In witness whereof we have hereto set our hands.

Name of Transferor.

Name of Transferee.

* Omit the words in brackets if the payment is made by the applicant.

(4) Transfer between Societies or Companies.—This instrument, made the day of , 18 , between the Society Limited, established at , hereinafter called the vendor, of the one part, and the Society Limited, established at , hereinafter called the purchaser, of the other part, in consideration of £ paid by the purchaser to the vendor, witnesses that the vendor hereby transfers the shares numbered , now standing in the name of the vendor in the books of the above-named society, to the purchaser, and the assigns of such purchaser, to hold the same upon the same conditions on which they are held by the vendor; and that the purchaser accepts the said shares subject to the said conditions. In witness whereof the seals of the said societies are hereto attached, by the resolutions of the committees thereof, dated respectively the day of and the day of

N.B.—The seals of the societies and signatures of the committee and secretary must be affixed as in form (2). The same form applies, with the necessary changes, to transfers between companies.

The foregoing rules are the general rules referred to in the rules signed by us :—

Secretary.

LIST OF RULES.

CHAPTER I.—INTERPRETATION AND GENERAL QUALIFICATION.

1. Interpretation.
2. Qualification.

CHAPTER II.—NAME, OBJECTS, & PLACE OF BUSINESS.

3. Name, objects, and powers of the society
4. Registered office, how to be fixed.
5. Removal of office to be notified.
6. Books of account, &c., to be kept at office.

CHAPTER III.—MEMBERSHIP.

Sec. 1.—Members.

7. Who are members.
8. Shares to be held by members.
9. Payment on application.
10. Application by a society or company.
11. Application by an individual.
12. How applications shall be dealt with.
13. Notice of refusal or admission.
14. Repayment of the entrance fee.
15. Appeal and erasure of the names of applicants.
16. How forms to be referred to.
17. Married women.
18. Admission of minors.
19. Withdrawal of members and partial cessation of membership.

Sec. 2.—List of Members.

20. Where to be kept and entries thereon.
21. Claims to be entered on or removed from the list.

CHAPTER IV.—CAPITAL.

Sec. 1.—Share Capital.

22. Nominal value.
23. Instalments.
24. Power to pay in anticipation.
25. Cases of distress.
26. Application of dividends to pay up shares.
27. Allotment of shares.

Sec. 2.—Enforcement of Debts to Society.

28. Recovery of sums due under rules and forfeiture of shares.
29. Effect, and remission of forfeiture.

Sec. 3.—Loans and Deposits.

30. Loans—on what security, to what amount, and how may be made.
31. Power to receive deposits.

Sec. 4.—Investments.

32. Power to invest surplus capital.

Sec. 5.—Repayment of Capital.

33. Repayment compulsory on members.
34. Repayment on the request of members.
35. Shares repaid to be extinguished.
36. Moneys left with the society after notice of repayment.

CHAPTER V.—SHARES.

Sec. 1.—Shares Generally.

37. Of what descriptions.
38. Where two or more joint holders.
39. Limit to dividends.

Sec. 2.—Transferable Shares.

40. How to be allotted.
41. Share register.
42. Share ledger.
43. Forms of transfer.
44. Registration of transfers.
45. To whom transfers may be made.
46. Fee on transfers.
47. Payment of stamp duty by the society.
48. Lien of society on shares.
49. Sale of shares to pay debts.
50. Limit to amount expended on repayments.

Sec. 3.—Transmission of Interest.

51. Transmission by death.
 - (1) Nominations.
 - (2) Revocations.
 - (3) Fees on nomination or revocation.
 - (4) Proceedings on death of a member.
52. Transmission by bankruptcy.
53. Extinction of shares paid off.
54. Notice of the right to nominate.
55. Transfer to make membership.
56. Joint holders of shares.

CHAPTER VI.—GOVERNMENT AND ADMINISTRATION.

Sec. 1—General Meetings.

- 57. Ordinary and special meetings.
- 58. Ordinary business meetings.
- 59. Monthly meetings.
- 60. Functions of ordinary business meetings.
- 61. Time and place of holding such meetings.
- 62. Notice of time and place of meeting.
- 63. Special general meetings.
- 64. Notice of special general meetings.
- 65. When members may give notice.
- 66. Business of special general meeting.
- 67. Quorum of general meetings.
- 68. Power of adjournment.
- 69. Quorum of monthly meetings.
- 70. Chairman of meetings.
- 71. Votes of (1) individuals, (2) societies or companies.
- 72. How votes shall be taken.
- 73. Appointment and powers of deputies.
- 74. Conduct of members.

Sec. 2.—The Committee of Management.

- 75. How committee to be formed.
- 76. Retirement and re-eligibility of committee-men.
- 77. Removal of members of committee.
- 78. Qualification of a committee-man.
- 79. Vacancies—how to be filled up.
- 80. General powers of the committee.
- 81. The committee to summon meetings, provide books, &c.
- 82. The committee to lay statement of accounts and report before the general meetings.
- 83. Time, place of meeting, and quorum of the committee.
- 84. Fines for non-attendance.
- 85. Chairman of the committee.
- 86. Special meetings of the committee.
- 87. Appointment of sub-committees.

Sec. 3—Officers of the Society.

- 88. The president.
- 89. The treasurer.
- 90. The secretary.
- 91. Remuneration of officers.
- 92. Accounts of and security by officers.

Sec. 4.—Conduct of Business

- 93. The manager.
- 94. Payment of moneys into bank.
- 95. Payment by cheques, subject to the direction of any general meeting.
- 96. The seal of the society—its custody and use.

- 97. Use of name of the society.
- 98. Complaints and suggestions.
- 99. The board of conciliation.

Sec. 5.—Federation.

- 100. Co-operative Productive Federation.

Sec. 6.—Evidence.

- 101. Minutes to be evidence of proceedings.
- 102. What to be sufficient notice

CHAPTER VII—ACCOUNTS AND RETURNS.

Sec. 1.—The Auditors.

- 103. Number of auditors.
- 104. Appointment of auditors.
- 105. Duties of the auditors :—
 - (1) General.
 - (2) Annual return.
- 106. Powers of the auditors.
- 107. Audited accounts to be binding on the members.
- 108. Copy of accounts and report.
- 109. Remuneration of the auditors.

Sec. 2.—Inspection of Accounts.

- 110. Individual right of inspection.
- 111. Inspection on order of the Registrar.

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- 112. What, and when to be made.
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CHAPTER VIII.—PROFITS.

- 114. Primary charges :—
 - (1) Reduction of fixed stock, &c.
 - (2) Reduction of preliminary expenses.
 - (3) Dividend on share capital.
 - (4) Reserve fund.
 - (5) Educational fund.
 - (6) Congress fund.
 - (7) Social fund.
- 115. Educational, provident, and social funds :—
 - (1) Qualification of rule as to.
 - (2) Mode of dealing with—special accounts, and committees for.
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(2) Mode of selection.
(3) Vacancies.
(4) If arbitrators fewer than three.
(5) The costs of arbitration.

119. How a member may be expelled.

120. Payment of expelled member.

121. Re-admission of expelled member.

CHAPTER X.—ALTERATION OF RULES.

122. Majority requisite to make alterations.

123. Fundamental rules.

124. Additions or alterations.

CHAPTER XI.—CHANGE OF NAME, AMALGAMATION, CONVERSION INTO A COMPANY, AND DISSOLUTION.

125. (1) Change of name, &c.
(2) Dissolution.

CHAPTER XII.—FORMS OF INSTRUMENTS.

126. Instruments shall have the following forms:—
(1) Application for admission by an individual.
(2) Application for shares by a society or company.





